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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

APEX Single System Implications ☐

FROM:

ADD/P&amp;M

EXTENSION

NO.

DATE

3 JUL 1980

TO: (Officer designation, room number, and building)

DATE

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

D/Sec

X

Attached is a proposed response to ☐ whose memorandum stirred up considerable reaction throughout the Office. I believe that the response contains an appropriate measure of rebuke without being offensive. That is to say, I believe that we really need to stop ☐ cold in his tracks but at the same time get a productive dialogue going.



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7 JUL 1980

OS REGISTRY

FILE *Security 18*  
*x Sec 17*

25X1

25X1 MEMORANDUM FOR: [REDACTED]  
SA to the DCI for Compartmentation

25X1 FROM: [REDACTED]  
Director of Security

SUBJECT: APEX Single System Implications [REDACTED]

REFERENCE: Your memorandum dated 1 July 1980,  
same subject

Harry:

1. I have reviewed the draft of your proposed memorandum to the Director on the question of uniform standards for industry. I must state that I cannot endorse it without clarification of what appear to me to be misperceptions of the actual state of affairs in the industrial security world. The latter covers, as you know, a complicated, intricate network of both overt and covert industrial contracts.

25X1 [REDACTED]

2. In carrying out my regulatory responsibilities for the Agency's industrial security program, I am assisted by teams of security officers assigned to the Office of Logistics and the Directorate of Science and Technology both at Headquarters

25X1 [REDACTED] In addition, of course, a very substantial portion of my Office's investigative, polygraph and appraisal apparatus is devoted to the clearance/approval actions attendant to the use of all contractors by the Agency. Thus, the Office of Security has not only enormous experience but tremendous equities in the Agency's relationship with the industrial world in general and even more so with respect to the security specifics with which your proposed memorandum inherently deals. [REDACTED]

25X1 3. This Office has been deeply involved in sensitive industrial relationships since compartmentation was created and we are justifiably proud of our record in working with

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25X1

[REDACTED]

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industry in a flexible, "can-do" way while at the same time imbuing those activities with a security discipline which has achieved its purpose, the secure realization of their purpose and goals. This has been achieved by high standards, to be sure, but also by flexible, sensible and practical on-the-spot decisions where deviations from the norm were required. ☐

25X1

4. The concept of uniformity is appealing and, of course, is totally consistent with the mandate of the DCI to protect sources and methods. The DCI deserves no less than a uniformly sound program as is conceptualized in APEX. The problem enters, however, when one examines the various procedures, particularly in the investigative and adjudicative area, that exist throughout the Intelligence Community. Your memorandum seems to drive the DCI to impose uniformity before he is permitted any detailed insights into what that may entail insofar as the security of his programs is concerned. Is he to be asked to accept the lowest common denominator? Why are the CIA and NSA singled out for rebuke as recalcitrants?

5. It is particularly ironic that the House Permanent Select Committee on Intelligence last fall, after reviewing various investigative procedures in the Intelligence Community, singled out the CIA for high praise. The National Security Agency, not satisfied with the quality of the investigations performed by the Defense Investigative Service, on which it must rely, has had to resort to a very vigorous polygraph program with respect to its industrial contractors. We, too, as you know, have a very active industrial polygraph program. Many of the other Intelligence Community agencies do not use the polygraph even for their own employees, let alone industry. ☐

25X1

6. Thus, you can appreciate that if we appear to hesitate in embracing the concept of uniformity, it is only out of concern for the very real possibility of substantial degradation of our security program. We cannot believe that the DCI ever intended, in attempting to effect greater control over the Intelligence Community, that the security posture of the Central Intelligence Agency should experience any deterioration in the process. ☐

25X1

7. In spite of the differences that do exist among the Intelligence Community agencies, however, there is much more commonality than your memorandum would seem to imply.

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STAT The CIA, for instance, in almost all circumstances accepts DOD conclusions concerning clearability. We do accept Navy investigations or, more precisely, those of the Defense Investigative Service, which has conducted BI's for the Navy since 1972. ☐

8. I will not burden this response with any detailed point-by-point analysis. Suffice it to say that what I think is really needed is not a presentation by you of this topic in the forum suggested but clearly and preferably a meeting with myself and experienced representatives of this Office to discuss in detail the complex and far-reaching security ramifications of the implementation of APEX, particularly with respect to the industrial security world. ☐

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STAT OS/P&M/PPG/☐ sw (7Jul80)

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